

Shalabh Mehrish

March 2, 2012

New York, NY

Page 70	Page 72
<p>1 Mehrish - March 2, 2012</p> <p>2 Abacus transaction being wider.</p> <p>3 Q. All right. And do you recall whether or</p> <p>4 not Citigroup did agree to what Mr. Bhatt requested</p> <p>5 with respect to the Abacus 2006-HGS1?</p> <p>6 MS. BUERGEL: Objection to form.</p> <p>7 A. I don't remember.</p> <p>8 Q. Now, sir, let me specifically address</p> <p>9 your attention to the Class V III.</p> <p>10 Do you recall specifically what your</p> <p>11 involvement in that CDO was?</p> <p>12 A. I was on the syndicate desk, so I was</p> <p>13 trying to distribute the transaction to investors</p> <p>14 globally.</p> <p>15 Q. All right. And do you recall what, if</p> <p>16 any, discussions you had with anyone on the</p> <p>17 structuring desk about Class V III?</p> <p>18 A. Don't recall any specific discussions</p> <p>19 with any other transaction.</p> <p>20 Q. Any specific -- do you recall any</p> <p>21 specific discussions with Mr. Stoker?</p> <p>22 A. No.</p> <p>23 Q. How about did you recall any specific</p> <p>24 discussions about Class V III with Mr. Darius Grant?</p> <p>25 A. No.</p>	<p>1 Mehrish - March 2, 2012</p> <p>2 what sort of transactions would be well received by</p> <p>3 the market.</p> <p>4 Q. Mr. Mehrish, as a general matter, for</p> <p>5 CDOs that were underwritten by Citi while you were on</p> <p>6 the syndicate desk, who was responsible for preparing</p> <p>7 the offering circular, offering memorandum?</p> <p>8 A. There wasn't any one specific person.</p> <p>9 It was an entire team of people. The -- for example,</p> <p>10 the offering circular was put together by internal</p> <p>11 and external counsel and reviewed by both, internal</p> <p>12 and external counsel.</p> <p>13 Q. Did your desk have any role in preparing</p> <p>14 it?</p> <p>15 A. The syndicate desk?</p> <p>16 Q. Yes.</p> <p>17 A. No, not the offering circular, no.</p> <p>18 Q. Did you have any role in reviewing it?</p> <p>19 A. No.</p> <p>20 Q. How about the flip book?</p> <p>21 A. Yeah, sure, we reviewed the flip books,</p> <p>22 I'm sure.</p> <p>23 Q. You did review the flip books?</p> <p>24 A. Yes.</p> <p>25 Q. And do you recall reviewing the flip</p>
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<p>1 Mehrish - March 2, 2012</p> <p>2 Q. Do you recall whether you had any</p> <p>3 discussions with anyone on the secondary desk about</p> <p>4 Class V III?</p> <p>5 A. No.</p> <p>6 Q. Do you recall any of the details of the</p> <p>7 Class V III transaction?</p> <p>8 A. I recall it being a CDO of CDOs.</p> <p>9 Q. Do you recall -- a CDO of CDOs?</p> <p>10 A. Yes.</p> <p>11 Q. So that's a CDO squared?</p> <p>12 A. In the jargon, yeah.</p> <p>13 Q. Do you recall whether it was a synthetic</p> <p>14 CDO?</p> <p>15 A. No. It may have been a combination.</p> <p>16 Q. Do you recall if there was an asset</p> <p>17 manager for the Class V III?</p> <p>18 A. Yes. CSAC.</p> <p>19 Q. And did you have contact with CSAC,</p> <p>20 Credit Suisse, concerning the Class V III?</p> <p>21 A. Yeah. I'm sure I did.</p> <p>22 Q. Was that a common practice for you to</p> <p>23 talk to the asset manager about a CDO that they were</p> <p>24 going to manage?</p> <p>25 A. Yeah. We would exchange thoughts as to</p>	<p>1 Mehrish - March 2, 2012</p> <p>2 book for Class V III?</p> <p>3 A. Not specifically. It would have been me</p> <p>4 or somebody else on my desk who might have looked</p> <p>5 through it.</p> <p>6 Q. Do you recall whether or not you</p> <p>7 reviewed the offering circular for Class V III?</p> <p>8 A. Don't recall reviewing it.</p> <p>9 Q. Do you know who actually prepared the</p> <p>10 offering circular for Class V III?</p> <p>11 A. I don't remember.</p> <p>12 Q. Did you have any discussions with anyone</p> <p>13 about what was included in that offering circular?</p> <p>14 A. I don't recall any discussions.</p> <p>15 Q. Do you recall any discussion with</p> <p>16 Mr. Stoker?</p> <p>17 A. No.</p> <p>18 Q. Was it normally the structuring desk's</p> <p>19 responsibility to put together the offering circular?</p> <p>20 MS. BUERGEL: Objection to form.</p> <p>21 A. No. It was generally legal counsel put</p> <p>22 together the offering circular.</p> <p>23 Q. All of it?</p> <p>24 A. Yeah. They put it together and then it</p> <p>25 was reviewed by the structuring desk.</p>

19 (Pages 70 to 73)

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March 2, 2012

New York, NY

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<p>1 Mehrish - March 2, 2012</p> <p>2 Q. And who provided all the information to</p> <p>3 the legal counsel to put into the offering circular?</p> <p>4 MS. BUERGEL: Objection to form.</p> <p>5 A. It was various sources for the</p> <p>6 information. If it was information describing the</p> <p>7 collateral manager, it was information that came from</p> <p>8 the collateral manager. If it was information</p> <p>9 describing specific structural aspects, it came from</p> <p>10 CDO desk.</p> <p>11 Q. Which CDO desk?</p> <p>12 A. The structuring desk.</p> <p>13 Q. Structuring desk. Okay. Similarly,</p> <p>14 with respect to the pitch book for Class V III, do</p> <p>15 you know who specifically put that together, who was</p> <p>16 responsible for putting that together?</p> <p>17 A. No.</p> <p>18 Q. Do you know who specifically was</p> <p>19 responsible for drafting it?</p> <p>20 A. No.</p> <p>21 Q. Do you have any understanding of how the</p> <p>22 assets that were included in Class V III were</p> <p>23 selected?</p> <p>24 MS. BUERGEL: Objection to form.</p> <p>25 A. They were selected by the collateral</p>	<p>1 Mehrish - March 2, 2012</p> <p>2 Q. Do you recall actually receiving them?</p> <p>3 A. I'm sure I have received some e-mails,</p> <p>4 yeah.</p> <p>5 Q. Do you recall any e-mails between the</p> <p>6 sales coverage for this -- I guess it would have been</p> <p>7 Mr. Khan and CSAC, concerning what assets to be</p> <p>8 placed in Class V III?</p> <p>9 A. I don't recall.</p> <p>10 Q. Do you recall whether or not you</p> <p>11 reviewed or received any copies of e-mails between</p> <p>12 anyone on the secondary trading desk and CSAC or</p> <p>13 Mr. Khan concerning the assets that will be in Class</p> <p>14 V III?</p> <p>15 A. No, I don't recall.</p> <p>16 Q. What was the process by which the assets</p> <p>17 for Class V III were selected?</p> <p>18 A. There were several discussions between</p> <p>19 the collateral manager and syndicate desk,</p> <p>20 structuring desk about assets that were -- deals that</p> <p>21 were being offered in the marketplace and what sort</p> <p>22 of deals might work for a CDO squared, and what might</p> <p>23 be palatable for investors, what kind of structure.</p> <p>24 So there were several discussions.</p> <p>25 Q. And how were you aware of those</p>
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<p>1 Mehrish - March 2, 2012</p> <p>2 manager.</p> <p>3 Q. And how do you know that?</p> <p>4 A. Because we were doing an actively</p> <p>5 managed CDO transaction. The collateral manager</p> <p>6 selected transactions like any other CDOs.</p> <p>7 Q. Are you talking about what the normal,</p> <p>8 general practice was?</p> <p>9 A. As well as with this transaction.</p> <p>10 Q. And how do you know with respect to this</p> <p>11 transaction that's what happened?</p> <p>12 A. Because all the transactions I worked on</p> <p>13 that's what happened.</p> <p>14 Q. All right. Specifically with respect to</p> <p>15 Class V III, what is your basis for saying that's how</p> <p>16 it occurred?</p> <p>17 MS. BUERGEL: Objection.</p> <p>18 A. I generally recall the collateral</p> <p>19 manager asking specific approval for assets to put</p> <p>20 into the warehouse and they were selecting the</p> <p>21 assets.</p> <p>22 Q. Did you receive or you -- did you</p> <p>23 receive copies of e-mails between sales and the asset</p> <p>24 manager concerning Class V III?</p> <p>25 A. I might have.</p>	<p>1 Mehrish - March 2, 2012</p> <p>2 discussions?</p> <p>3 A. Because that was a typical process in --</p> <p>4 in which CDOs got done in the place.</p> <p>5 Q. Again, you're talking about what the</p> <p>6 typical process was?</p> <p>7 A. Right.</p> <p>8 Q. And your assumption is that in fact,</p> <p>9 that's what occurred in Class V III?</p> <p>10 A. That's right, because I don't recall</p> <p>11 anything out of the ordinary with any transaction.</p> <p>12 Q. Were you personally involved in any of</p> <p>13 those discussions you just described with respect to</p> <p>14 Class V III?</p> <p>15 A. Yeah. I was probably involved in</p> <p>16 estimating what investor appetite might be for</p> <p>17 that -- having that discussion with the CSAC.</p> <p>18 Q. You say probably. Do you specifically</p> <p>19 recall?</p> <p>20 A. I don't specifically, because it was</p> <p>21 such a long time ago.</p> <p>22 Q. Do you recall whether or not you put</p> <p>23 anything in writing, an e-mail to CSAC, concerning</p> <p>24 your discussions?</p> <p>25 A. Don't recall.</p>

20 (Pages 74 to 77)

EXHIBIT 9

Robert K. Pinniger

September 30, 2010

1

UNITED STATES SECURITIES AND EXCHANGE COMMISSION

In the Matter of:)
) File No. HO-10740
CITIGROUP, INC.)

WITNESS: Robert K. Pinniger

PAGES: 1 through 175

PLACE: Securities and Exchange Commission
 3 World Financial Center
 New York, New York 10281

DATE: Thursday, September 30, 2010

The above-entitled matter came on for hearing, pursuant
to notice, at 9:40 a.m.

DIVERSIFIED REPORTING SERVICES
(202) 467-9200

Robert K. Pinniger

September 30, 2010

<p style="text-align: right;">37</p> <p>1 Q Did you have discussions with Samir Bhatt - B-H-A-</p> <p>2 T-T - in the course of working on the Class V, III deal?</p> <p>3 A At various points throughout the transaction I</p> <p>4 would have talked to Samir. Yes.</p> <p>5 Q Did Samir tell you anything about the process by</p> <p>6 which the assets were selected for Class V, III?</p> <p>7 A I do not recall Samir telling me specifically how</p> <p>8 the assets were selected. I don't recall talking to Samir</p> <p>9 about that.</p> <p>10 Q Did he tell you generally?</p> <p>11 A Without a specific recollection of conversations,</p> <p>12 it would have been a normal process for Samir and I to talk</p> <p>13 at various points of a transaction. There may have been</p> <p>14 questions on certain assets, for example, as we're going</p> <p>15 through a deal. You know, now we're in the marketing stage</p> <p>16 and someone asks a question about XYZ bond in the portfolio</p> <p>17 or position in the portfolio. And to the extent we needed</p> <p>18 their assistance in either getting data or however the</p> <p>19 question came in, we might go to Samir or I might talk to</p> <p>20 Samir about that. So it would have been normal practice for</p> <p>21 me to interact with Samir in various ways. But I don't -- in</p> <p>22 terms of early on talking to Samir about portfolio selection</p> <p>23 and things on that, I don't recall talking to Samir about</p> <p>24 that.</p> <p>25 Q Let me hand you what's been marked as 499.</p>	<p style="text-align: right;">39</p> <p>1 Q Well let me go back. Who put together the first</p> <p>2 draft of -- whether or not this is the first draft, who put</p> <p>3 together the first draft of the Class V, III marketing book?</p> <p>4 A As a starting point it would have been my team. So</p> <p>5 my Structuring Team would have done it. So it would have</p> <p>6 been a combination of myself and Frank and Wen Hai, starting</p> <p>7 with whatever is the most recent book we might have had and</p> <p>8 trying to do what modifications we could to the book. And</p> <p>9 then depending on at what stage it was ready to go out to</p> <p>10 various folks to begin to add their comments to begin the</p> <p>11 review.</p> <p>12 Q And did you use something -- a template for the</p> <p>13 first draft of the Class V, III book?</p> <p>14 A We would have used a template. I don't recall what</p> <p>15 we used. I'm just reading here in the e-mail, and it sounds</p> <p>16 like we used a particular template. I don't recall that that</p> <p>17 was the case, but I'm just reading this.</p> <p>18 Q In putting together the initial draft did anyone</p> <p>19 explain to you any differences other than the collateral</p> <p>20 being CDO tranches versus some mix of MBS and CDO tranches?</p> <p>21 Did anyone explain to you any differences between the</p> <p>22 transactions?</p> <p>23 MS. BUEGEL: Which transactions? I'm sorry.</p> <p>24 MR. FELLER: The transaction that served as the</p> <p>25 template for -- the marketing book of which served as the</p>
<p style="text-align: right;">38</p> <p>1 THE COURT REPORTER: 498.</p> <p>2 MR. FELLER: 498. Thank you. Perfect. Thank you.</p> <p>3 (Commission's Exhibit No. 498 was</p> <p>4 marked for identification.)</p> <p>5 Q Exhibit 498 is a one-page e-mail with a 66 page</p> <p>6 attachment. I think that's right. The Bate range CITI-</p> <p>7 15905929 through 15905995. It's an e-mail from Frank Li, L-</p> <p>8 I, to Samir Bhatt and Todd Kornfeld, copying Mr. Stoker, Mr.</p> <p>9 Pinniger and Wen Hai Pan.</p> <p>10 A Yes.</p> <p>11 Q And it's dated January 24, 2007; Subject "Draft of</p> <p>12 Class V Funding, III (CSAC CDO squared) Debt Book". And Mr.</p> <p>13 Li writes "Samir, Todd: Attached please find the draft debt</p> <p>14 book of the Class V Funding, III CSAC CDO Squared deal. The</p> <p>15 book is pretty clean and share the manager and risk factor</p> <p>16 sections as the book of Adam Square Funding, II CSAC Mezz ADS</p> <p>17 Deal. As of such, please provide any comments you may have no</p> <p>18 later than 4 p.m. tomorrow. The deal has been announced, and</p> <p>19 we are planning to send the book out by the end of the week".</p> <p>20 So who put together the -- is this the first draft</p> <p>21 -- is the attachment to Exhibit 498 the first draft of the</p> <p>22 marketing book of Class V, III?</p> <p>23 A In looking at the attachment I can't tell if this</p> <p>24 is the first draft or it's sort of further along. I don't</p> <p>25 know what stage this was at.</p>	<p style="text-align: right;">40</p> <p>1 template and then Class V, III.</p> <p>2 A I'm not recalling specific conversations with</p> <p>3 anyone where we discussed the exact differences. But we</p> <p>4 would have -- sort of similar to what I was saying before,</p> <p>5 someone would have at some point probably given me at least a</p> <p>6 rough outline on what the deal was intended. You know, just</p> <p>7 a real high level of general starting point for the</p> <p>8 transaction. By that, if I'm looking at Adam Square - and I'm</p> <p>9 only going off what's in the e-mail. I don't recall that</p> <p>10 that was our template. Adam Squared was a mezzanine deal.</p> <p>11 Class V ended up being a CDO squared, so I already knew some</p> <p>12 differences.</p> <p>13 I forget exactly when I would have come to have</p> <p>14 known that the portfolio was intended to be certain credit</p> <p>15 quality or not. But I would have come to know information at</p> <p>16 some point. I just don't -- I can't recall specifically of</p> <p>17 talking to XYZ about that.</p> <p>18 Q Did anyone tell you that the asset selection</p> <p>19 process was different in any way from the one that took place</p> <p>20 in the transaction that served as the template for the Class</p> <p>21 V, III deals?</p> <p>22 A I don't recall having discussed with anyone that</p> <p>23 the asset selection process was different.</p> <p>24 Q Who would be responsible for insuring that the</p> <p>25 description of the asset selection process - you know,</p>

Robert K. Pinniger

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<p style="text-align: right;">41</p> <p>1 marketing materials - is accurate?</p> <p>2 A It could come from one of two places or both. And</p> <p>3 by that I mean primarily the manager would be reviewing that</p> <p>4 to make sure that they are looking through a marketing book</p> <p>5 and it's describing what they're going to be doing in a</p> <p>6 transaction. They would be reading the marketing material</p> <p>7 for making sure that their role is specified correctly. We</p> <p>8 may also -- "we" meaning the Structuring Desk and it may be</p> <p>9 in conjunction with our internal or external counsel to make</p> <p>10 sure descriptions are correct. To the extent we know that</p> <p>11 something is specific about a manager's role, whether or not</p> <p>12 there was something different about it, we might also comment</p> <p>13 on it and then look for the manager to -- we might look for</p> <p>14 the manager to make sure our way of phrasing or framing it</p> <p>15 was correct. So it could come from two different places.</p> <p>16 Q In the course of -- did you continue to work on the</p> <p>17 Class V, III marketing book through to completion?</p> <p>18 A Yes.</p> <p>19 Q In the course of working on it did anyone raise any</p> <p>20 concerns about the description of the asset selection</p> <p>21 process?</p> <p>22 A I don't recall that anyone raised a concern.</p> <p>23 Q Was there any discussion about how it should be</p> <p>24 described?</p> <p>25 A I can't recall that there were any conversations</p>	<p style="text-align: right;">43</p> <p>1 synthetic assets in there. I knew that the portfolio was a</p> <p>2 CDO Squared. And as such, my general recollection would have</p> <p>3 been okay, the CDO Secondary Desk would be involved just</p> <p>4 because they make a two-way market. But beyond that I don't</p> <p>5 recall specifically knowing involvement beyond that.</p> <p>6 Q And was there anything you put in the marketing</p> <p>7 book that specifically addressed that role?</p> <p>8 A I can't recall specifically. And to be honest, I</p> <p>9 haven't looked at the marketing materials for this deal for a</p> <p>10 long time. But we would have -- I don't recall if we noted</p> <p>11 their involvement specifically or if we would have noted that</p> <p>12 Citi would have acted a capacity as a short counterparty.</p> <p>13 Q And did you have an understanding of whether the</p> <p>14 Secondary Desk was acting as an intermediary on those trades?</p> <p>15 That is, on the short side of the collateral trades into</p> <p>16 Class V, III. Or whether they were not acting as an</p> <p>17 intermediary; whether they were the ultimate short</p> <p>18 counterparty. Do you understand what I mean when I say an</p> <p>19 intermediary?</p> <p>20 A I was just going to ask you to clarify to make</p> <p>21 sure.</p> <p>22 Q Okay. Whether they were standing in the middle of</p> <p>23 another client who was the ultimate short counterparty on</p> <p>24 that particular asset or whether they - meaning the CDO</p> <p>25 Trading Desk - was the ultimate short counterparty. Does</p>
<p style="text-align: right;">42</p> <p>1 around the asset selection description in marketing.</p> <p>2 Q In the course of working on the Class V, III</p> <p>3 marketing materials did you come to have any understanding of</p> <p>4 any role that the Citi's CDO Trading Desk had in the</p> <p>5 transaction?</p> <p>6 A I got caught up in the -- would you mind repeating</p> <p>7 the question? I'm sorry.</p> <p>8 Q Sure. In the course of working on the marketing</p> <p>9 materials for Class V, III over the time you worked on them,</p> <p>10 did you come to have an understanding of any role that Citi's</p> <p>11 CDO Trading Desk had in the transaction?</p> <p>12 A Without knowing the exact time frame, at some point</p> <p>13 - and again, I forget exactly when I knew that the</p> <p>14 transaction was going to be a mix of assets in terms of</p> <p>15 synthetics or cash - but I would have come to know that at</p> <p>16 some point synthetics were being contemplated in the</p> <p>17 transaction. And with the underlying collateral being CDO's,</p> <p>18 the group that would have been involved in the short leg of a</p> <p>19 CDS trade into a CDO - the short leg being buying credit</p> <p>20 protection from the CDO and in turn paying a premium to the</p> <p>21 CDO for that credit protection - the Secondary Desk as the</p> <p>22 market maker in CDO tranches would have also on our desk</p> <p>23 been the desk who would have done CDS on CDO's. But I don't</p> <p>24 -- and I'm sorry if I'm not answering the question. But at</p> <p>25 some point I would have know that there would have been</p>	<p style="text-align: right;">44</p> <p>1 that clarify --</p> <p>2 A -- Yes. I don't -- I can't recall if I would have</p> <p>3 given consideration to that in terms of whether there was a -</p> <p>4 - you know, they were facing on the long side a different</p> <p>5 counterparty or they were just short to the CDO. I don't</p> <p>6 recall considering that at this time.</p> <p>7 Q Would that have made a difference to you in putting</p> <p>8 together the marketing material?</p> <p>9 A For me on the Structuring Desk I don't -- in my</p> <p>10 capacity on the Structuring Desk I don't know if I would have</p> <p>11 -- if that would have been a strong consideration. But had -</p> <p>12 - and I'm not saying this is the arrangement and the deal.</p> <p>13 But had that been an arrangement where they were -- let's say</p> <p>14 in whatever capacity they were acting - whether it was an</p> <p>15 intermediary as you described or they were just short to the</p> <p>16 CDO - to the extent we became aware of that or when we became</p> <p>17 aware of that, that would have -- while I might not have</p> <p>18 considered it from my structuring perspective to be important</p> <p>19 in terms of what I was doing, I would likely have raised that</p> <p>20 to either internal or external counsel for their</p> <p>21 consideration. Not out of any particular concern but just</p> <p>22 here's another factor or fact in the transaction, and is</p> <p>23 there anything that they can think that we would need to do</p> <p>24 in that matter.</p> <p>25 Q Let me hand you what's being marked as Exhibit 499.</p>

EXHIBIT 10

Page 1

UNITED STATES SECURITIES AND EXCHANGE COMMISSION

In the Matter of:)
) File No. HO-10740-A
CITIGROUP, INC.)

WITNESS: Donald J. Quintin

PAGES: 1 through 150

PLACE: Securities and Exchange Commission
100 F Street, N.E.
Washington, D.C.

DATE: Thursday, February 18, 2010

The above-entitled matter came on for hearing, pursuant
to notice, at 10:05 a.m.

Diversified Reporting Services, Inc.

(202) 467-9200

<p style="text-align: right;">Page 42</p> <p>1 thing that I think might fill out the picture? Could you</p> <p>2 explain how the use of synthetics helps you to manage the</p> <p>3 warehouse risk for -- on the syndicate side?</p> <p>4 THE WITNESS: Okay. I mean with the synthetic</p> <p>5 you -- a manager can identify a name they want to reference</p> <p>6 for a deal. The timing of the execution of that contract --</p> <p>7 because there's no bond you have to go buy, you can</p> <p>8 effectively set the timing when that happens. You can make</p> <p>9 it happen very close to when you're going to price the</p> <p>10 transaction.</p> <p>11 You want to be in a position where you can identify</p> <p>12 a large portion of the collateral prior to pricing because</p> <p>13 the investors who are buying the CDO are interesting in</p> <p>14 knowing what's in the collateral pool.</p> <p>15 So the manager can identify what collateral they</p> <p>16 want to select for the deal, but you can select when you</p> <p>17 actually contract on those -- on that risk. So --</p> <p>18 BY MR. FELLER:</p> <p>19 Q So the part I'm trying to narrow in on is where in</p> <p>20 the course of the evolution of the deal did -- did the view</p> <p>21 develop that Citi might -- that the secondary desk might not</p> <p>22 match some or all of these trades with the Class V III deal?</p> <p>23 Do you understand the question?</p> <p>24 A Yeah. And I'm suggesting that that was something</p> <p>25 that evolved later in the process -- the initial cut of names</p>	<p style="text-align: right;">Page 44</p> <p>1 underlying market, certainly not. But even the protection</p> <p>2 market, you know there were a few investors who wanted to buy</p> <p>3 protection.</p> <p>4 But you know we were concerned that -- we had</p> <p>5 concern that that protection bid may go away. Guys like</p> <p>6 Magnetar may not need to buy protection, may not want to buy</p> <p>7 protection any more, and we'd have this protection sitting on</p> <p>8 the book. And that was -- you know that was definitely</p> <p>9 something that concerned us at the time.</p> <p>10 Q So when did you sort of move from that to -- I'm</p> <p>11 paraphrasing a little, so tell me if I'm mischaracterizing,</p> <p>12 to a view that a short position in the secondary book could</p> <p>13 act in some way as a hedge on Citi's long inventory?</p> <p>14 A It's hard to pick out points in time because these</p> <p>15 things don't -- there's no moment or epiphany moment where</p> <p>16 this is when that did, so it was an evolving process.</p> <p>17 I think we started to -- management started having</p> <p>18 a dialogue with us -- management meaning -- when I mean</p> <p>19 management I mean Nestor, Janice and Michael Raynes -- about</p> <p>20 kind of the timing.</p> <p>21 The timing became a question -- when do we cover</p> <p>22 the shorts, and then it became you know later, after -- later</p> <p>23 in 2007 it became should be cover them, should they just be a</p> <p>24 strategic short given that again, we'd have tens of billions</p> <p>25 of longs. That's the rough timing that I remember.</p>
<p style="text-align: right;">Page 43</p> <p>1 that Brian discussed with CSAC --</p> <p>2 Q Mr. Carosielli?</p> <p>3 A Excuse me, Mr. Carosielli.</p> <p>4 Q Well, I just want to -- because there's a Brian</p> <p>5 Stoker as well.</p> <p>6 A Yeah, you're right, yeah -- Mr. Carosielli</p> <p>7 discussed with CSAC you know included names that we felt very</p> <p>8 good that we would have an outlet for, meaning that there</p> <p>9 would be investor interest in covering that position, so we</p> <p>10 wouldn't be left with this large short position.</p> <p>11 I mean we were -- at the end of 2006, we were on the</p> <p>12 secondary desk concerned about the size of the shorts that we</p> <p>13 had. We were concerned that the market could turn, the</p> <p>14 protection bid could go away, and that there would be a cost</p> <p>15 of carrying those shorts, and we wanted to be very careful</p> <p>16 about not being in a position where we were adding more names</p> <p>17 to the short book that potentially we wouldn't have the</p> <p>18 ability to cover.</p> <p>19 Q Sorry, at the end of 2006, you were concerned that</p> <p>20 the secondary book was too short?</p> <p>21 A Yeah. And by end, third, fourth quarter, yes.</p> <p>22 Q By the time you were going into the Class V III</p> <p>23 transaction?</p> <p>24 A Yeah, we had discussions -- we didn't know which</p> <p>25 direction the market was going to go. You know the</p>	<p style="text-align: right;">Page 45</p> <p>1 Q Was in 2007, and you said later in -- but --</p> <p>2 A Well, but -- yeah, again, it was an evolving</p> <p>3 process. I think that we were concerned as I mentioned about</p> <p>4 the shorts, but we were also cognizant of the fact that the</p> <p>5 business was very long.</p> <p>6 So you know if we were -- if the market did move</p> <p>7 against us before we could cover the shorts, I guess that</p> <p>8 would be a good thing for the overall business because the</p> <p>9 business was a lot longer by many, many multiples than there</p> <p>10 were short. Does that make sense?</p> <p>11 Q So, okay, so I'm still -- I understand what you're</p> <p>12 saying. And that's helpful. I guess I'm still trying to</p> <p>13 figure out if entering in to mm-hmm transaction -- if there</p> <p>14 had been discussions as to that particular portfolio whether</p> <p>15 it was being selected -- strike that -- whether the reference</p> <p>16 assets you agreed to trade with CSAC were being selected by</p> <p>17 you -- the portfolio that you chose to trade, which is to say</p> <p>18 those assets that you agreed to deal with CSAC on, whether</p> <p>19 you were doing so with an eye towards holding onto those,</p> <p>20 holding onto those shorts, or with an eyes towards selling</p> <p>21 them on to customers.</p> <p>22 A Okay, and what I can remember is that there was a</p> <p>23 list of names that I think we were particularly interested in</p> <p>24 agreeing to. The genesis of the names were demand-driven</p> <p>25 from investors -- Magnetar and others who had similar</p>

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1 strategies.

2 That's kind of where from our perspective we were
3 cognizant of those names because we'd have an outlet for the
4 protection. If these were names these guys cared on, then we
5 were hopeful that by the time the transaction closed, we
6 could then sell the protection to them.

7 We couldn't do it before closing because of the
8 reasons I mentioned before about minimizing the warehouse
9 risk.

10 Q Would the deal have happened if Credit Suisse had
11 not wanted to include those names in the portfolio?

12 A Yes, but we may have agreed to take less risk in
13 the deal. It would have been a function of a syndicate's
14 comfort and placing the transaction -- the investor demand
15 for the deal.

16 You know that's a key driver in these deals is the
17 syndicate responding to the investor interest as they know it
18 to place these transactions -- except for the super seniors
19 that Citi ended up retaining, the goal was to distribute the
20 capital structure.

21 Q So I'm sorry -- say that again, what's the
22 relationship between placing the risk from the deal versus
23 you --

24 A What I'm suggesting is that a deal could have still
25 happened. If CSAC had not wanted to select any of the names

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1 that we were comfortable with, our role as counter-party to
2 the deal would have been potentially something smaller.

3 It could have still happened if the timing of the
4 ramping made sense consistent with -- again, we're
5 speculating about something that didn't happen, so it would
6 have been you know if the transaction could have been -- you
7 know if we got comfortable the transaction was going to
8 placed, we could manage the warehouse risk. I'm assuming
9 that you know they would -- I'm assuming that syndicate and
10 origination would have proceeded with the transaction.

11 Q Okay, well, that's kind of what I'm asking is was
12 this -- you said hypothetically it could have proceeded with
13 a lesser role for the secondary desk, but was this particular
14 deal predicated -- from your understanding -- on the
15 secondary desk playing a large role in it?

16 A Take a step back, the reason I'm saying this is
17 because there were other transactions, other CDOs that
18 happened almost concurrently but subsequent to this
19 transaction where our role -- and I'm not referring to our
20 role as synthetic counterparty to the transaction where we
21 were --

22 Q As the initial counterparty?

23 A As the intermediary, yeah, I'm not referring to
24 that.

25 Q Okay.

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1 A Like I say, that's a separate specified role. I'm
2 saying there were other transactions where we played a much,
3 much smaller role in the collateral. So --

4 Q Keep going --

5 A No, I guess in answer to your question, could it
6 have moved forward, conceivably.

7 Q Well, those other transactions did, but again, I'm
8 asking was this particular transaction -- the CDO with
9 CSAC -- entering into it was the intent for -- I assume the
10 secondary desk makes money -- makes marginally more money as
11 it plays a marginally larger role in the transaction, right?

12 A Right.

13 Q So was the intent entering into this deal for the
14 secondary desk to play a large role, for this to be a
15 particularly -- a deal on which the secondary desk played a
16 particularly large role?

17 A Yeah, okay, see if this answers your question, this
18 transaction as it came to formation contemplated the
19 secondary desk providing risk for a subset of the pool.
20 Could such a transaction have occurred had we not done that?

21 My answer is yes because clearly we did other deals
22 where we didn't provide such a subset with collateral.

23 Q Right, but was -- to the best of your knowledge,
24 was CSAC approached or -- to do a deal in which the secondary
25 desk would take the short side of a large subset of the

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1 collateral?

2 A Okay, I don't want to speak for anyone other than
3 ourselves, but I would speculate that CSAC would still have
4 moved forward with the -- they would have wanted to move
5 forward with the transaction whether we buy the collateral or
6 not to the extent that they felt that Citi syndicate, new
7 issue could bring them a transaction.

8 I mean their goal was to do deals. That was their
9 business -- syndicate, if they felt comfortable they could
10 place the debt would want to move forward and certainly
11 structure an origination.

12 So the other parties of the transaction would
13 likely have moved forward.

14 Q So I understand your answer -- I guess a more
15 specific question is do you know if anyone from the
16 structuring desk in the negotiations with CSAC described this
17 as a deal in which the secondary desk would take a large
18 portion of the short risk?

19 A I don't know who had the discussion, but clearly
20 there must have been a discussion because there was a
21 subsequent dialogue on a subset of the portfolio. So that
22 dialogue would have come for some reason.

23 Q Just before we move on -- and I just don't want to
24 forget to follow up on this, you said that Citi had a
25 separate specified role as an intermediary -- an

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1 intermediation role, can you just describe what that is?

2 A To the best that I can --

3 Q Absolutely.

4 A For a variety of reasons -- I can get into some of
5 them, for a variety of reasons, Citi would sometimes be the
6 counterparty that the CDO faced, and then would face other
7 counterparties.

8 So for example, if a manager was sourcing risk for
9 a deal, put out a BWIC -- a bid wanted in comp -- there were
10 trying to source risk in the market, they would -- they could
11 put out a list of names to other dealers and say your
12 counterparty on this trade is Citi.

13 And so X, Y, Z dealer could show the level, maybe
14 they're winning bidder protection. They would then face
15 Citi, and Citi would face the deal. I believe the -- I think
16 the term was synthetic counterparty -- specified, synthetic
17 counterparty -- I don't remember the term, but it's a defined
18 term in some of the documentation, but it's basically where
19 Citi would act in this intermediary role.

20 And there were different reasons for why that would
21 be -- that would occur.

22 Q Why?

23 A Well, some managers wanted to face one
24 counter-party. They didn't want to face the rest of the
25 street. I believe the rating agencies also wanted the deal

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1 A Yeah, but there may also have been CDS that faced
2 the CDO directly. I'm not sure. I don't remember that
3 aspect because I remember that within Class V III, there were
4 three -- I would look at three kind of asset pools -- there
5 was the CDS in this subset that CSAC had selected that were
6 versus Citi, and then there was this stuff that they largely
7 sourced through BWIC. And there was a cash component.

8 I don't remember if all of the synthetic collateral
9 was facing the synthetic counter party or only some of it. I
10 just don't remember those details.

11 MR. AUFSES: And when you said stuff that was
12 sourced through a BWIC, you mean synthetic collateral?

13 THE WITNESS: Yes, I'm sorry -- I mean -- stuff is
14 not a technical term. The synthetic collateral.

15 BY MR. FELLER:

16 Q Do you know approximately what percentage of the
17 synthetic collateral was sourced from Citi for Class V III?

18 A Well, I think it was this subset which is I don't
19 know maybe about 50 percent, roughly. I'm guessing it was
20 about half the synthetic collateral. I may be wrong, but
21 that's what I remember right now. So roughly about half.

22 (SEC Exhibit No. 333 was marked for
23 identification.)

24 BY MR. FELLER:

25 Q Okay, so -- let me hand you what's being marked as

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1 to face a certain type of counter party -- some requirements
2 that they would require as a function of the transaction.

3 And then some street counter parties would not want
4 to face the CDO directly, they'd want to face the dealer who
5 was underwriting the deal. So those are a few of the reasons
6 that come to mind as why that kind of arrangement existed.

7 Q Would the manager know whether Citi was the final
8 counter party or just playing an intermediary role?

9 A Well, for collateral their sourcing for third
10 parties, other dealers, I mean they would know because
11 they're putting out this list, and they're directing the
12 counter party who is -- they're directing the other dealer
13 counter party who they're going to be facing as a counter
14 party.

15 If they're transacting specifically with us, they
16 wouldn't necessarily know whether or not there was another
17 counter party on the other side, but that's -- yeah.

18 Q So only for collateral sourced away would they know
19 whether Citi had --

20 A I should step back. I don't know if there was this
21 intermediary function in ever transaction. I don't know if
22 it was on only certain types of synthetics and not others. I
23 just -- I remember that on certain deals where we were being
24 asked to be intermediary, then we'd be aware of that.

25 Q And Class V III was one of those deals?

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1 Exhibit No. 333, which is a one-page e-mail, Bates
2 CITH18122071, from Mr. Quintin dated October 23, 2006. Do
3 you recognize this e-mail?

4 A I don't remember sending it, but, yeah, I may have
5 seen this in prep.

6 Q So you don't remember sending it?

7 A I don't -- no, but I may have sent it.

8 Q Do you know what it is?

9 A Yeah, it's a -- it looks like an e-mail I sent to
10 the structuring desk with some ABS CDO names to use in coming
11 up with a hypothetical capital structure.

12 Q Okay, the subject line of the e-mail is trade, and
13 it's sent to Brian Stoker and Ilias Islamov?

14 A That's correct.

15 Q Do you know what led to you sending this e-mail?

16 A Well, this list -- well, I don't know specifically
17 but I can -- I mean I can speculate. One is this list is --
18 looks like a list of names that was of particular interest
19 from Magnetar to buy protection on.

20 And what prompted it -- you know it could be any
21 number of reasons. It could be we were starting to look at
22 what capital structures would look like, and so the
23 structuring desk could have asked -- it can just send us a
24 list of names so we can start looking at what a deal looks
25 like.

EXHIBIT 11

Donald Quintin

New York, NY

March 13, 2012

Page 1

1 UNITED STATES DISTRICT COURT
2 SOUTHERN DISTRICT OF NEW YORK
3 11 Civ. 07388 (JSR)

4 - - - - -

5 SECURITIES AND EXCHANGE COMMISSION,
6 Plaintiff,

7 vs.

8 BRIAN H. STOKER,
9 Defendant.

10 - - - - -

11

12 TRANSCRIPT of DONALD QUINTIN in the
13 above-entitled matter, as taken by and before
14 LORRAINE B. ABATE, a Certified Shorthand Reporter and
15 Notary Public of the State of New York and Registered
16 Professional Reporter, held at the offices of The
17 Securities and Exchange Commission, Three World
18 Financial Center, New York, New York, on March 13,
19 2012, commencing at 11:17 a.m., pursuant to Subpoena.

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Donald Quintin

March 13, 2012

New York, NY

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<p>1 Quintin - March 13, 2012</p> <p>2 A. I do not.</p> <p>3 Q. All right. Now, I notice there are two</p> <p>4 e-mails here. The bottom one indicates -- appears</p> <p>5 it's from Brian Stoker to Donald Quintin and Shalabh</p> <p>6 Mehrish.</p> <p>7 Sir, do you have any reason to believe</p> <p>8 that you didn't receive this e-mail on January the</p> <p>9 8th of 2007?</p> <p>10 A. I do not.</p> <p>11 Q. Now, there is an -- if you look down,</p> <p>12 the subject says CSAC CDO squared.</p> <p>13 Do you know what the reference CSAC is</p> <p>14 to?</p> <p>15 A. Credit Swisse.</p> <p>16 Q. Is that Credit Swisse Alternative</p> <p>17 Capital?</p> <p>18 A. Capital.</p> <p>19 Q. All right. Thank you.</p> <p>20 About the third line down, it says CSAC</p> <p>21 buys. Do you see that?</p> <p>22 A. I see that.</p> <p>23 Q. It says buys no equity, but we</p> <p>24 informally expect them to buy single A and BBB from</p> <p>25 Harding.</p>	<p>1 Quintin - March 13, 2012</p> <p>2 A. I believe it was more than one deal.</p> <p>3 Q. Was it less than ten?</p> <p>4 A. Yes, I believe it was less than ten.</p> <p>5 Q. All right, sir. Are you -- well, I</p> <p>6 think we have just about five minutes left on the</p> <p>7 tape, so let's take a short break here so we can</p> <p>8 change the tape. Maybe ten minutes.</p> <p>9 THE VIDEOGRAPHER: This marks the end of</p> <p>10 tape No. 1. We're going off the record at 12:10</p> <p>11 p.m.</p> <p>12 (There was a recess taken.)</p> <p>13 THE VIDEOGRAPHER: This marks the start</p> <p>14 of tape No. 2. We're back on the record at</p> <p>15 12:21 p.m.</p> <p>16 BY MR. INFELISE:</p> <p>17 Q. Mr. Quintin, were you familiar with --</p> <p>18 in the 2006-2007 time frame, with a hedge fund that</p> <p>19 was called Magnetar Capital?</p> <p>20 A. Yes.</p> <p>21 Q. And do you recall whether or not during</p> <p>22 this time frame, you were ever involved in any way of</p> <p>23 the Magnetar deals?</p> <p>24 MR. AUFSES: Object to the form.</p> <p>25 MR. DOOLEY: Same objection.</p>
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<p>1 Quintin - March 13, 2012</p> <p>2 Do you recall having any discussion with</p> <p>3 Mr. Stoker about this topic back in January of 2007?</p> <p>4 MR. DOOLEY: Object to the form.</p> <p>5 A. I do not.</p> <p>6 Q. Do you recall ever questioning</p> <p>7 Mr. Stoker why he had this informal expectation?</p> <p>8 A. I do not.</p> <p>9 Q. This is a reference to Harding.</p> <p>10 Do you know at this time what Harding</p> <p>11 refers to?</p> <p>12 A. Harding -- I believe Harding was an</p> <p>13 asset manager.</p> <p>14 Q. Is that an asset manager that Citigroup</p> <p>15 used to manage CDOs that it underwrote?</p> <p>16 A. I believe so, yes.</p> <p>17 Q. Do you recall approximately how much</p> <p>18 business that Citigroup did with Harding?</p> <p>19 A. I do not.</p> <p>20 Q. Do you recall whether it was</p> <p>21 substantial?</p> <p>22 MR. AUFSES: Objection to the form.</p> <p>23 A. I don't know.</p> <p>24 Q. Do you recall whether it was more than</p> <p>25 one deal?</p>	<p>1 Quintin - March 13, 2012</p> <p>2 A. Could you describe what you mean by</p> <p>3 involved.</p> <p>4 Q. Do you recall whether or not Citigroup,</p> <p>5 and I'm specifically talking about the CDO group here</p> <p>6 in the United States, ever was involved in</p> <p>7 underwriting a Magnetar CDO?</p> <p>8 MR. AUFSES: Object to the form. You</p> <p>9 may answer.</p> <p>10 A. I don't believe so.</p> <p>11 Q. And do you recall whether or not --</p> <p>12 well, let me ask you, were you familiar with a group</p> <p>13 of CDOs that were named after constellations?</p> <p>14 A. Yes.</p> <p>15 Q. And how is it you were aware of those?</p> <p>16 A. They happened to share similar names in</p> <p>17 the transactions in the market.</p> <p>18 Q. And was it -- well, do you know who</p> <p>19 sponsored those CDOs?</p> <p>20 MR. AUFSES: Objection.</p> <p>21 MR. DOOLEY: Object to the form.</p> <p>22 A. They were sponsored -- do you mean the</p> <p>23 underwriter or do you mean -- what's a sponsored</p> <p>24 role?</p> <p>25 Q. That's fair. Let me rephrase the</p>

14 (Pages 50 to 53)

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<p>1 Quintin - March 13, 2012</p> <p>2 question.</p> <p>3 With respect to these constellation</p> <p>4 CDOs, was there any particular hedge fund associated</p> <p>5 with them?</p> <p>6 A. I believe so, yes.</p> <p>7 Q. And which one was it?</p> <p>8 A. Magnestar.</p> <p>9 Q. All right. And were you aware of that</p> <p>10 in the 2006-2007 time frame?</p> <p>11 A. Yes.</p> <p>12 Q. Do you recall whether or not these</p> <p>13 constellation CDOs had any common characteristics</p> <p>14 with respect to -- well, strike that.</p> <p>15 Do you recall during this time frame</p> <p>16 whether or not the constellation CDOs had any common</p> <p>17 characteristics?</p> <p>18 A. I believe so, yes.</p> <p>19 Q. Do you recall what those were?</p> <p>20 A. I believe that most of them -- one of</p> <p>21 the defining characteristics was that they tended not</p> <p>22 to have what was referred to as O/C and I/C tests, or</p> <p>23 triggerless deals.</p> <p>24 Q. Okay. And with respect to the</p> <p>25 constellation deals, do you recall whether -- what,</p>	<p>1 Quintin - March 13, 2012</p> <p>2 with Mr. Prusko?</p> <p>3 MR. DOOLEY: Objection to the form.</p> <p>4 Vague, ambiguous.</p> <p>5 A. I had occasion to speak with him from</p> <p>6 time to time.</p> <p>7 Q. All right. Back in this time frame,</p> <p>8 2006-2007 -- well, let me ask you first, sir, are you</p> <p>9 familiar with the term adverse selection as it</p> <p>10 applies to CDOs?</p> <p>11 A. I think it's a subjective term that's --</p> <p>12 was used by different counterparties about different</p> <p>13 transactions.</p> <p>14 Q. And again, did you have an understanding</p> <p>15 of what was meant by that term back in 2006 and 2007?</p> <p>16 MR. AUFSES: Objection to the form.</p> <p>17 A. I'm not sure by whom that view -- you</p> <p>18 know, whose view you're referring to.</p> <p>19 Q. Well, I'm asking -- let me ask you this;</p> <p>20 in 2006-2007, what was your understanding of what the</p> <p>21 term adverse selection meant?</p> <p>22 MR. AUFSES: Same objection, but you may</p> <p>23 answer.</p> <p>24 A. I guess from my perspective, the term is</p> <p>25 something that could have been used by someone who</p>
Page 55	Page 57
<p>1 Quintin - March 13, 2012</p> <p>2 if any, participation Magnetar had in purchasing any</p> <p>3 of the tranches of those deals?</p> <p>4 MR. DOOLEY: Object to the form.</p> <p>5 A. It would be speculation on my part in</p> <p>6 terms of what their role was.</p> <p>7 Would you like me to do that?</p> <p>8 Q. Please.</p> <p>9 A. As I understood it at the time, I</p> <p>10 believe they took or they invested in the equity</p> <p>11 tranche of these deals, and often, bought protection</p> <p>12 on mezzanine tranches. They may have other</p> <p>13 involvement in the deals, but you know, I wouldn't be</p> <p>14 privy to that information.</p> <p>15 Q. The understanding you had just</p> <p>16 explained, what was your basis for that back in 2006</p> <p>17 and 2007?</p> <p>18 A. As best I can recollect, just what I had</p> <p>19 heard in the market.</p> <p>20 Q. Do you recall an individual by the name</p> <p>21 of -- is it Prusko?</p> <p>22 A. Jim Prusko, yes.</p> <p>23 Q. Who is he?</p> <p>24 A. He was an employee at Magnetar.</p> <p>25 Q. Do you recall ever having any dealings</p>	<p>1 Quintin - March 13, 2012</p> <p>2 didn't like various aspects of a transaction.</p> <p>3 Q. So your understanding is that adverse</p> <p>4 selection meant -- was usually used by someone who</p> <p>5 didn't like aspects of the transaction?</p> <p>6 A. I'm saying that from what I recollect,</p> <p>7 it could have been used in the context of looking at</p> <p>8 a particular transaction, if somebody looked at a</p> <p>9 transaction and there was an aspect of the deal,</p> <p>10 whether it was the collateral of that particular</p> <p>11 transaction, that they didn't like that collateral,</p> <p>12 they may have said that it was adversely selected.</p> <p>13 Q. And at that time when someone said that</p> <p>14 the -- said to you after this collateral was</p> <p>15 adversely selected, what did you understand that to</p> <p>16 mean, if you had an understanding?</p> <p>17 MR. DOOLEY: Object to the form.</p> <p>18 A. That whoever was saying that probably</p> <p>19 had a negative view about the assets that were</p> <p>20 included in that deal.</p> <p>21 Q. And are you familiar with the term</p> <p>22 negative selection?</p> <p>23 A. I don't think I heard it used very</p> <p>24 often.</p> <p>25 Q. Do you recall the context in which you</p>

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New York, NY

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<p>1 Quintin - March 13, 2012</p> <p>2 heard that term used?</p> <p>3 A. I'm guessing it may have had similar</p> <p>4 meaning to adverse selection.</p> <p>5 Q. You're guessing or is that your</p> <p>6 understanding?</p> <p>7 A. I don't recall. You know, it's not a</p> <p>8 term I have, you know, used frequently in conjunction</p> <p>9 with CDOs.</p> <p>10 Q. Do you recall ever hearing it used by</p> <p>11 anyone who worked in the CDO group during this time</p> <p>12 period?</p> <p>13 A. I don't have that recollection.</p> <p>14 Q. Sir, in 2006 into 2007 when you left,</p> <p>15 did you ever have any concern that the collateral in</p> <p>16 the constellation CDOs had been adversely selected?</p> <p>17 MR. DOOLEY: Object to the form.</p> <p>18 A. I don't recall that I had, you know, any</p> <p>19 sort of, you know, specific view on the collateral in</p> <p>20 those transactions.</p> <p>21 Q. So do I understand you that you're</p> <p>22 saying that during this time period, you didn't have</p> <p>23 a concern that the assets included in the</p> <p>24 constellation CDOs had been adversely selected?</p> <p>25 A. No. What I recall about the</p>	<p>1 Quintin - March 13, 2012</p> <p>2 MR. DOOLEY: Objection to form.</p> <p>3 A. I don't remember.</p> <p>4 Q. Do you recall during this time period,</p> <p>5 specifically in -- let's focus first on 2006.</p> <p>6 Do you recall having any discussions</p> <p>7 with anyone at Magnetar concerning selling them</p> <p>8 protection on their constellation CDOs?</p> <p>9 A. Yes.</p> <p>10 Q. All right. And do you recall who that</p> <p>11 was?</p> <p>12 A. Excuse me. May I correct my prior</p> <p>13 answer?</p> <p>14 Q. Oh, please.</p> <p>15 A. That communication tended to be through</p> <p>16 a salesperson. So the conversation -- I don't recall</p> <p>17 any direct conversations. It would have typically</p> <p>18 come through a salesperson.</p> <p>19 Q. Do you have any -- do you recall any</p> <p>20 direct communications with anyone at Magnetar</p> <p>21 concerning selling protection on specific</p> <p>22 constellation CDOs?</p> <p>23 A. Again, it may have occurred. It</p> <p>24 would -- typically that communication would have gone</p> <p>25 through a salesperson, but it may have occurred.</p>
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<p>1 Quintin - March 13, 2012</p> <p>2 constellation deals was, you know, transacting in</p> <p>3 those deals. I mean, I think they're relatively new</p> <p>4 deals done in about that time period.</p> <p>5 Q. Do you recall whether or not you ever</p> <p>6 heard anyone at -- on Citigroup's CDO group voice</p> <p>7 concerns that the constellation CDOs had been</p> <p>8 adversely selected?</p> <p>9 MR. DOOLEY: Object to the form. Vague</p> <p>10 and ambiguous. Sorry.</p> <p>11 A. I don't recall.</p> <p>12 Q. Sir, were you familiar with -- during</p> <p>13 this time period, with CDOs that were named after</p> <p>14 United States presidents?</p> <p>15 A. Yes. I recall there was a collection of</p> <p>16 deals I think were loosely referred to that way.</p> <p>17 Q. And do you recall whether or not those</p> <p>18 collection of CDOs had any specific characteristics?</p> <p>19 A. As best I recollect, they shared common</p> <p>20 characteristics of the constellations in that I</p> <p>21 believe they were triggerless deals, if I remember</p> <p>22 correctly.</p> <p>23 Q. Do you recall whether or not those</p> <p>24 president CDOs, for lack of a better term, were</p> <p>25 static CDOs or had managers?</p>	<p>1 Quintin - March 13, 2012</p> <p>2 Q. All right. Okay.</p> <p>3 MR. INFELISE: I'm going to ask the</p> <p>4 court reporter to mark the next document as</p> <p>5 Exhibit 639.</p> <p>6 (Exhibit 639, Two-page Document, Bates</p> <p>7 numbered CITI 19336622 to 23, marked for</p> <p>8 identification, as of this date.)</p> <p>9 MR. INFELISE: For the record, Exhibit</p> <p>10 639 is a two-page document Bates numbered CITI</p> <p>11 19336622 to 23.</p> <p>12 Q. Just take a few minutes, Mr. Quintin,</p> <p>13 read through that and let me know when you're</p> <p>14 finished.</p> <p>15 A. Okay.</p> <p>16 Q. Have you had a chance to look through</p> <p>17 that, sir?</p> <p>18 A. I have.</p> <p>19 Q. And do you have any recollection of this</p> <p>20 document?</p> <p>21 A. I do not.</p> <p>22 Q. All right. Again, there's two e-mails</p> <p>23 in the first page. I direct your attention to the</p> <p>24 one towards the bottom that appears to be from a</p> <p>25 Quintin, Donald to Prusko, or Prusko, James.</p>

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